

Amendments to the Specification:

Please replace paragraph [0015] with the following rewritten paragraph:

[0015] Propulsion for the craft may come from any of several sources, including steam power created by nuclear energy, such as disclosed in Applicant's U.S. Patent No. 6,290,184 entitled Flying Craft With Air and Water Propulsion System, one or more quantum jet turbine engines as disclosed in Applicant's co-pending U.S. Patent Application No.

~~_____ (Attorney Docket 102901)~~ 10/808,371 filed concurrently herewith, and/or other conventional propulsion sources, such as jets or rockets. Any of the above may be supplemented with a compound exhaust system, such as disclosed in Applicant's U.S. Patent No. 6,367,739, which increases the efficiency of the propulsion source. The disclosures of U.S. Patent No. 6,290,184, U.S. Patent No. 6,367,739, and co-pending U.S. Patent Application No. ~~_____ (Attorney Docket 102901)~~ 10/808,371 are hereby incorporated herein by reference in their entireties.

Please replace paragraph [0049] with the following rewritten paragraph:

[0049] Upon exiting from compound exhaust system 2700, exiting combustion gases are received by thrust vector nozzle 2800, which can be suitably controlled to direct the exiting gases in a desired thrust vector that may be other than in axial alignment with the exhaust system. Owing to the sealed intake structure, such a jet engine will operate with reduced sound level than that typically found on conventional jet engines that include a large open-mouth intake system. If additional sound reducing properties are desired, a conventional sound cancellation device 2900 can be installed to the end of the exhaust as known in the art. Additional details on the operation of the quantum jet engines can be found in Applicant's incorporated co-pending U.S. Patent Application ~~_____ (Attorney Docket 102901)~~ No. 10/808,371.